

Dear Provider,

You may be aware that the DfE consulted in the Summer regarding the indicative funding Devon may receive in 2017/8 for the Early Years Entitlement Funding. We want to share these figures with you but stress that they have **not yet been confirmed**. Once we receive notification we will have to make some proposals to Schools Finance Issues Group and Devon Education Forum.

The main points arising from the DfE proposals are as follows:

- Devon will receive an additional 6p per hour compared to the 16/17 baseline- **ALTHOUGH WAITING TO HAVE FUNDING AMOUNT CONFIRMED BY DfE**
- The funding amount equates to £3.88 per hour **INCLUDING SUPPLEMENTS** which cannot exceed 10% of the hourly rate (39p).
- The range of supplements allowed will be reduced and Lump Sum funding may not be recognised by the DfE
- Deprivation supplement must remain an element of the funding formula
- Local Authorities cannot retain more than 7% on central costs in 2017/18 and 5% in 2018/19

The proposals are broadly in line with the funding formula we already have in Devon so there will be minimal changes as we meet most of the requirements proposed in the consultation document.

Based on the information we have received to date, and subject to final confirmation from DfE on our budget possible changes will be;

- increase the hourly rate by the 6p we expect to receive in 2017/18
- Lump Sum payments may need to be phased out
- Consider reducing our deprivation funding (modelling to be completed)
- Our supplements are within the 10% recommendation so no change
- Our central costs are within the DfE recommendations so no change

We will keep providers updated and hope to get funding notifications from DfE early next year. The Helpdesk have no further information regarding the formula and we will keep you updated via the Portal.

Kind regards,

Early Years Funding Team